

Message Text

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PAGE 01 TEGUCI 04496 031712Z

46

ACTION ARA-20

INFO OCT-01 ISO-00 SCEM-02 INT-08 PC-04 SPC-03 AID-20

EB-11 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08

OMB-01 CEA-02 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 PA-04 PRS-01 USIA-15 ACDA-19 IO-14 NEA-10

DRC-01 COME-00 AGR-20 OC-06 /226 W

----- 015723

R 302307Z NOV 73

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 5782

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY PANAMA

UNCLAS TEGUCIGALPA 4496

1.O. 11652: N/A

TAGS: ENRG HO

SUBJ: GOH ANNOUNCES NATIONAL PLAN TO ECONOMIZE FUEL

1. SUMMARY: GOH ISSUES NATIONAL PLAN TO CONSERVE FUEL;
TEXACO MANAGER SAYS REFINERY CAN SATISFY ONLY 65 PERCENT
COUNTRY'S NEEDS; IMPORTANT SECTORS OF ECONOMY SUFFERING.

END SUMMARY

2. IN PUBLIC STATEMENT ISSUED NOVEMBER 30, GOH ANNOUNCED
ELEVEN-POINT PLAN TO ECONOMIZE ON FUEL USAGE. STATEMENT
EXPLAINS FUEL SHORTAGES DUE TO MIDDLE EAST CRISIS AND
THAT THESE SHORTAGES ARE WORLDWIDE IN NATURE; EXPERIENCE
GAINED IN NOVEMBER WHEN "REDUCTION WAS ABOUT 20 PERCENT
OVER SAME MONTH IN 1972" HAS SHOWN INSUFFICIENT SELF-
DISCIPLINE ON PART OF FUEL USER -- HENCE NEED FOR
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PAGE 02 TEGUCI 04496 031712Z

MEASURES. STATEMENT FURTHER EXPLAINS THAT WITH AN EYE TO

GUARANTEEING A SIFFICIENT SUPPLY OF PETROLEUM, EVEN
THOUGH IN LESS THAN NORMAL QUANTITIES, NEGOTIATIONS
ARE UNDER WAY WITH TEXACO REFINERY TO REVISE PRESENT PRICE
SYSTEM. IN SEPTEMBER, STATEMENT SAYS, IT WAS DECIDED THAT
PRICE INCREASES TO FINAL CONSUMER JUSTIFIABLE BEGINNING
IN JANUARY 1974.

3. FOLLOWING IS ABBREVIATED LISTING OF ELEVEN POINTS:
OFFICIAL TIME TO MOVE AHEAD ONE HOUR BEGINNING MIDNIGHT
SUNDAY, DECEMBER 2; AMOUNTS OF FUEL ASSIGNED TO GOH
DEPENDENCIES, CIVIL AND MILITARY, WILL BE REDUCED NO LESS
THAN 20 PERCENT OVER THAT RECEIVED IN OCTOBER 1973, WITH
EXCEPTIONS OF SUCH PRIORITY ITEMS AS INVESTMENT PROJECTS,
HOSPITAL AND POLICE SERVICES, MECHANIZED AGRICULTURE,
ETC., IN WHICH AREAS VIGOROUS CONTROL SHOULD BE EXERCISED
TO CONSERVE FUEL; USE OF OFFICIAL GOH VEHICLES PROHIBITED
ON WEEKENDS, HOLIDAYS, NON-WORKING HOURS EXCEPT WITH
WRITTEN PERMISSION OF MINISTER OR HEAD OF AGENCY; DUTY-
FREE IMPORT OF FUEL PERMITTED; CONTINUOUS 8-HOUR WORKING
DAY, WITHOUT LUNCH BREAK (SO AS TO ELIMINATE NOONTIME
DRIVE HOME AND RETURN), TO BEGIN IN ALL PUBLIC OFFICES
DECEMBER 3 -- PRIVATE ENTERPRISE ENCOURAGED TO FOLLOW
SUIT; DISTRIBUTION COMPANIES TO ORGANIZE SALES SO AS TO
ECONOMIZE ON CONSUMPTION BUT ALLOW ALL USERS TO ACQUIRE
FUEL WITHIN LIMITS; TRANSIT AUTHORITY TO ORGANIZE TAXIS
AND CARGO CARRIERS IN ORDER TO CONSERVE FUEL BUT WITH AN
EYE TO CAUSING MINIMUM DISRUPTION OF SERVICES; INDUSTRY
SHOULD TRANSFORM ITS EQUIPMENT TO USAGE OF MORE
ECONOMICAL FORMS OF ENERGY, PRINCIPALLY BUNKER C --
MINECON TO TAKE MEASURES TO ASSURE THAT MACHINERY IMPORTS
BE ORIENTED ALONG THESE LINES; MRE TO INCIDE DIPLOMATIC
MISSIONS TO ECONOMIZE ON FUEL; COMMISSION COMPOSED OF
REPRESENTATIVES OF INTERESTED MINISTRIES PLUS COHEP AND
CTH TO BE FORMED TO ANALYZE CONCRETE PROBLEMS WHICH IT WILL
TRY TO RESOLVE IN ACCORDANCE WITH PRIORITIES; GOH WILL
TAKE ADDITIONAL MEASURES AS NECESSARY TO GUARANTEE BASIC
SERVICES AND PRODUCTIVE ACTIVITIES.

4. IN FURTHER DEVELOPMENTS: TEXACO MANAGER MCDONALD
QUOTED IN PRESS AS SAYING THAT REFINERY HAS SUFFICIENT CRUDE
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PAGE 03 TEGUCI 04496 031712Z

TO SATISFY 65 PERCENT OF COUNTRY'S NEEDS AND THAT TEXACO
IN NO POSITION TOCONTROL AN INTERNATIONALSITUATION.
HONDURAS FACING TWO PROBLEMS, HE SAID: SUPPLY SHORTAGES
COMING FROM MIDDLE EAST CONFLICT AND PRICES, ADDNG THAT
"THE CONSUMERS MUST UNDERSTAND THAT THE ONLY MANNER TO
ASSURE SUPPLY OF PETROLEUM IS BY ACCEPTING PRICE INCREASES.
WE CANNOT CONTINUE SUBSIDIZING THE ECONOMY."

5. CHEVRON MANAGER LANDRIGAN CONFIRMED 65 PERCENT FIGURE TO EMBOFF NOVEMBER 30 AND ADDED THAT "THE CONSUMERS MUST UNDERSTAND THAT THE ONLY MANNER TO ASSURE SUPPLY OF PETROLEUM IS BY ACCEPTING PRICE INCREASES. WE CANNOT CONTINUE SUBSIDIZING THE ECONOMY."

5. CHEVRON MANAGER LANDRIGAN CONFIRMED 65 PERCENT FIGURE TO EMBOFF NOVEMBER 30 AND ADDED THAT CHEVRON WILL BE PARTICULARLY HARD-HIT AS COMPANY EXPERIENCED A 25 PERCENT GROWTH DURING PAST YEAR. LANDRIGAN ADDED THAT MR WOOD, VP FOR FOREIGN CONTACTS OF STANDARD OIL OF CALIFORNIA, AND MR BURMASTER, PRESIDENT LATIN AMERICAN DIVISION CHEVRON, COMING TO HONDURAS DECEMBER 3 TO DISCUSS POSSIBILITY OF IMPORTING REFINED PRODUCTS DIRECTLY.

6. LANDRIGAN ADDED THAT LUMBERMEN HAVING DIFFICULTY CHARTERING BOATS TO HAUL LUMBER AS THERE IS NO DIESEL; ANOTHER SOURCE MENTIONED TO EMBOFF COTTON GROWERS WITHOUT FUEL TO FUMIGATE FIELDS AND PESTS TAKING OVER. SANCHEZ

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